

29 November 1984

MEMORANDUM FOR THE RECORD

SUBJECT: [] Retiree

BACKGROUND:

1. [] an Agency retiree, intends to lobby for a change in law to permit employees, whose family membership consists of husband and wife, to carry two "Self Only" policies. He feels that this would cause no actuarial distortion of the experience rating of the plan and would save the Government money since the Government contribution to two "Self Only" enrollments is less than the Government contribution to a "Self and Family" enrollment.

2. On 28 November, [] called and asked for a copy of the legal documentation on the FEHBP which prohibits a dependent spouse and an employee/retiree from having two "Self Only" policies vice a "Self and Family" policy. [] already is aware that the federal program philosophy was to provide the employee coverage and dependent coverage only incidentally based on the employment relationship. By regulations premiums must be payroll deductible. The 1984 Spouse Equity Act, however, demonstrates a change in this philosophy. It provides that certain former spouses may continue FEHBP participation by paying full premium through the enrollee's agency of employment. [] believes that the Spouse Equity Act provides an opportunity for additional policy changes and plans to pursue these.

[]
Chief, Insurance Operations Division